



SECURITY AGREEMENT
(General — Including Equipment)

DIRECT LOAN

Section 1. DR. RICHARD W. FRANKLIN

1550 N. E. 152nd Place

(No. and Street)

(Name)

Portland

(City or Town)

Multnomah

(County)

, Oregon

(hereinafter called the debtor), for a valuable consideration, receipt whereof hereby is acknowledged, hereby grants to The Oregon Bank, Citizens Branch
Branch (hereinafter called the secured party), whose address is 400 Fourth Street
Lake Oswego, Oregon

together with all accessories, substitutions, additions, replacements, parts and accessions affixed to or used in connection therewith, as well as the products and proceeds thereof (all hereinafter called "the Collateral").

For one (1) new, coiled 20,000 gallon, class DOT 111A100W-1 tankcar, equipped with 100-ton roller bearing truck, manufactured by ACF Industries, Inc., Shipper's Division, at Milton, Pennsylvania, in September, 1971, initialed and numbered RTLX 2307:

to secure payment of the debtor's debt to the secured party as evidenced hereby and by debtor's note of even date herewith payable to the secured party in the amount of \$ 17,500. payable on the terms, at the times and with interest as set forth in said note; (delete remainder of this sentence if not applicable) also to secure any and all other liabilities, direct and indirect, absolute or contingent, now existing or hereafter arising from the debtor to the secured party. Said note and said liabilities hereinafter collectively are called "the obligations." Debtor agrees to pay said note and obligations and if any portion thereof, principal or interest, is not paid when due and such default continues for more than 10 days, debtor agrees to pay, in addition to the foregoing, the reasonable collection costs of the secured party plus reasonable attorney's fees.

Section 2. The debtor hereby warrants and covenants that:

2.1 The Collateral is bought or used primarily for debtor's personal, family or household purposes; farming operations, business; and if any part of the Collateral is being acquired, in whole or in part, with the proceeds of the said note, the secured party may disburse directly to the seller of the Collateral.

2.5 If the Collateral is or is to become attached to real estate, a description of the real estate is:

2.2 At all times, the collateral will be kept at _____, (Number and Street)

(City or Town)

in _____, (County) Oregon, and shall not be removed from such location (or if equipment from such county) in whole or in part, until such time as written consent to a change of location is obtained by debtor from the secured party.

2.3 If the collateral is bought or used primarily for business use (other than debtor's farming operations), the debtor's principal place of business in Oregon is located at the place shown at the beginning of this agreement; debtor also has places of business in the following other Oregon counties: none

_____; if debtor has no place of business in Oregon but resides therein, the county in which debtor resides is Multnomah County in said state.

2.4 If debtor is a corporation, it is organized and existing under the laws of the State of _____, its principal office and place of business is located at _____ and its principal office and place of business in Oregon is located at the place shown at the beginning of this agreement.

2.6 If any motor vehicles are included in the above described Collateral, the secured party's security interest is to be noted on each certificate of title and each of said certificates shall then be deposited with and kept by the secured party.

Section 3. Special Terms and Conditions:

RECORDATION NO. _____ Filed & Recorded

SEP 3 0 1971 -10 30 AM

INTERSTATE COMMERCE COMMISSION

This agreement is subject to the additional provisions set forth on the reverse hereof, the same being incorporated herein by reference. The debtor acknowledges receipt of a complete executed copy of this agreement.

(Secured party need sign only if agreement is to be used as a financing statement.)

Executed and delivered in duplicate on 9/24, 1971.

By

THE OREGON BANK
(Secured Party)

Richard W. Franklin

(Signature of Debtor)

NOTE: This form not suitable in connection with Dealer retail installment sales of motor vehicles or as a Dealer retail installment contract on sales of consumer goods. It is not to be used for loans secured by inventory or crops or livestock.

7.1 Upon defendant's demand, secured Party shall have each and all of the rights and remedies granted to him by the Uniform Commercial Code of Oregon, by the said note and by its assignments and may exercise the same and all obligations under and by the said note and by the other agreements in this Note.

6.1. Time is of the essence hereof. The debtor shall be in default under this agree-
ment upon the happening of any of the following events or conditions:

(a) Debtor's failure to pay, when due, the principal or of any interest on solid note or
obligations;

(b) Debtor's failure to keep, observe or perform any provision of this agreement or
any other agreement between him and the secured party.

(c) The discovery of any misrepresentation, or material falsity of any warranty, rep-
resentation or statement made or furnished by debtor to the secured party
whether or not in connection with this agreement;

(d) Loss, theft or deterioration of or substantial damage to any of the Collateral;

(e) The secured party deems that reasonable cause to deem himself insecure;

(f) Failure or termination of the business of the debtor, or if the debtor dies or be-
comes insolvent, and if debtor is a partner, the death of any partner;

5.2 All of the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of Oregon. Any party of this agreement contrary to the law of any state having jurisdiction shall not invalidate other parts of this agreement in that state.

5.3 All of the benefits of this agreement shall inure to the secured party, his successors in interest and assigns and the obligations hereunder shall be binding upon the debtor, his legal representatives, successors and assigns.

5.4 If there be more than one debtor or a guarantor or co-maker of the note or this agreement, his right to sue either or both of them shall be primary and joint and several.

5.5 The secured party shall not be deemed to have waived any of his rights under this or any other agreementexecutedbythedebtorunless the waiver is in writing signed by the secured party. No delay in exercising secured party's rights shall be a waiver of any notice or remedy available to the other party to this agreement.

5.6 Each notice from the other party to this agreement shall be sufficient if delivered personally or by registered mail or by telegram, addressed to the other party at his address as set forth on the reverse side hereof, or as said address may be changed by written notice to the other party given pursuant to this paragraph. Reasons why be changed by written notice to the other party given pursuant to this paragraph.

5.7 In construing this security agreement the masculine pronoun shall include the feminine and the neuter and the singular shall include the plural, as the circumstances require.

ADDITIONAL PROVISIONS